

August 4, 2006

Ms. Mary Rupp
Secretary
Board of Governors of the National Credit Union Administration
1775 Duke Street
Alexandria, Virginia 22314-3428

Re: Proposed amendments
12 CFR 740
RIN 3133-AD18
June 22, 2006

California Credit Union is please to submit our comments to the National Credit Union Administration's proposed changes to Section 740 Proposed revisions to the share insurance logo.

California Credit Union is a state chartered institution serving the education community in the Los Angeles metropolitan area since 1933. California Credit Union is approximately one billion dollars in assets and is serving seventy-nine thousand members. The credit union offers consumer loans, real property loans, member business loans, and a vast array of share accounts to serve our members.

Overall, California Credit Union agrees with the proposed changes to section 740. We recommend that the Board make some changes in the proposed amendments.

Section 740.4 (b) Requirements for the official sign.

We agree the official sign needs to be altered because of the earlier decision to raise the insurance coverage on Individual Retirement Accounts and adjust the regular account coverage after the year 2010. However, the changes should be limited to adding "at least" to the original logo and replacing "A government agency" with "Backed by the full faith and credit of the US Government."

By replacing of "a US Government Agency" with "Backed by the full faith and credit of the United States Government" the logo will convey security to the members.

Section 740.4 (f) Requirements for the official sign.

We agree that the law should have an enforcement mechanism; however, the penalty of \$100 per day could be used in a punitive manner in the initial conversion period. California Credit Union has 10 branches, a supply of marketing material and disclosures that will take longer than the initial 60-compliance period to reproduce. The cost in reprinting required regulatory disclosures and marketing material would be substantial.

We suggest a staggered approach to implementation. All new branches and credit unions after the final regulation should use the new logo, allow 12 months for branch signage to be updated, and allow a 24 month period to update the logo on printed material.

Section 740.5 (c)(11) Requirements for the official advertising statement.

We agree that the section should be amended because of the earlier decision to raise the insurance coverage on Individual Retirement Accounts and adjust the regular account coverage after the year 2010. This would allow the credit union to have flexibility in the marketing of Individual Retirement Accounts.

Amendment Supply of New Signs and Compliance

We look forward to complying with the regulation in a timely and efficient manner; however, we respectfully request additional time to comply with the new logo requirements. California Credit Union has 10 branches, a supply of marketing material and disclosures that will take longer than the initial 60-compliance period to reproduce.

We suggest a staggered approach to implementation. All new branches and credit unions after the final regulation should use the new logo, allow 12 months for branch signage to be updated, and allow a 24 month period to update the logo on printed material.

Conclusion

California Credit Union is committed to working with the National Credit Union Administration goal to promulgate clear, understandable regulation that impose minimal regulatory burden. We appreciate the opportunity to participate in the rule making process. California Credit Union is willing to assist in this initiative in any way we can.

Sincerely,

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